J.V. operation of coal mining units with private sector

794. SHRI R.K. ANAND: Will the Minister of COAL be pleased to state :

(a) whether it is a fact that more than one dozen small coal mining units in different States are operating through joint venture with the private sector while the Bill for privatisation of coal mining is awaiting Parliamentary approval; and

(b) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRAHLAD SINGH PATEL) : (a) and (b) The Central Electricity Supply Corporation (CESC) and the West Bengal Power Development Corporation (WBPDCL) and the West Bengal State Electricity Board (WBSEB) jointly are doing coal mining in the Sarashatoli block and the Tara (East and West) blocks in the State of West Bengal, respectively through their joint venture companies namely Integrated Coal Mining Limited (ICML) and the Bengal Emta Coal Mines Limited (BEML). The coal mined by M/s. ICML from Sarashatoli mine is used by CESC in their power plants whereas the coal mined from Tara (East and West) by M/s. BEML is used by the WBPDCL and WBSEB in their power plants for power generation. M/s. CESC hold 26% of the voting equity in ICML, whereas M/s. WBPDL and M/s. WBSEB jointly hold 26% of the voting equity in BEML. No other joint venture company has been given mining lease to operate coal mines. Captive mining of coal by the above joint venture companies for power generation is in conformity with the provisions of the Coal Mines (Nationalisation) Act, 1973.

Closing down of ECL mines

795. SHRI SATISH PRADHAN : Will the Minister of COAL be pleased to state :

(a) whether it is a fact that at least 26 mines in Eastern Coalfields are to be closed down on ground of unviability;

(b) if so, the reasons therefor; and

(c) the details of corrective steps taken or proposed to be taken in this regard while safeguarding the thousands of workers' livelihood?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRAHLAD SINGH PATEL): (a) to (c) The decision to close mines is taken by the coal companies on parameters such as exhaustion of coal reserves, economic viability of coal mines, safety considerations, technical feasibility etc. In ECL, 26 coal mines have been identified for suspension of operations on the ground of economic unviability. On a reference under the Sick Industrial Companies (Special Provision) Act, 1985 (SICA), ECL has been declared a sick company by the Board for Industrial and Financial Reconstruction (BIFR). Since ECL is currently under the purview of the BIFR as a sick company, closing of the mines will also depend on the revival measures that may be finalised by BIFR for rehabilitation.

Grading and pricing of coal

796. SHRI R.K. ANAND: Will the Minister of COAL be pleased to state :

(a) whether Government have any policy for grading and pricing of coal on the basis of Gross Calorific Value as opposed to the concept of Useful Heat Value; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRAHLAD SINGH PATEL): (a) and (b) Ministry of Coal had constituted a Committee for considering formulation of the gradation system of coal based on Gross Calorific Value (GCV) and creating equivalency chart between Gross Calorific Value and Useful Heat Value (UHV). CFRI, Dhanbad conducted the exercise so assigned to them and developed such equivalency charts. The above Committee suggested to use a matrix system for grading of coals considering experimentally determined ash and GCV values on 'as received basis'. The recommendations of the Committee were considered by the Ministry of Coal in July, 2003 when it was decided that 'to start with, one mine preferably in NCL may be selected for adoption of GCV on trial basis. The mine will be jointly selected by CIL and NTPC. In such a selected mine, for six months, both GCV and UHV will be compared, and further necessary action will be taken thereafter.'